



DEPARTMENT OF COMMERCE

Bureau of Industry and Security
Washington, D.C. 20230

In the Matter of:)
)
Usama Darwich Hamade)
Beirut, Galerie Semaan)
Behind Karout Mall)
Kalaa Building 3rd Floor)
Beirut, Lebanon;)
)

Order Denying Export Privileges

On July 20, 2020, in the U.S. District Court for the District of Minnesota, Usama Darwich Hamade (“Hamade”), was convicted of violating 18 U.S.C. § 371. Specifically, Hamade was convicted of conspiring to export parts and technology from the United States to Lebanon, and specifically to Hizballah, for among other purposes, inclusion in unmanned aerial vehicles, without obtaining the required export licenses under the Export Administration Regulations or under the International Traffic in Arms Regulations. As a result of his conviction, the Court sentenced Hamade to 42 months in prison and a \$100 special assessment.

Pursuant to Section 1760(e) of the Export Control Reform Act (“ECRA”),¹ the export privileges of any person who has been convicted of certain offenses, including, but not limited to, 18 U.S.C. § 371, may be denied for a period of up to ten (10) years from the date of his/her conviction. 50 U.S.C. § 4819(e) (Prior Convictions). In addition, any Bureau of Industry and Security (BIS) licenses or other authorizations issued under ECRA, in which the person had an interest at the time of the conviction, may be revoked. *Id.*

¹ ECRA was enacted on August 13, 2018, as part of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, and as amended is codified at 50 U.S.C. §§ 4801-4852.

BIS received notice of Hamade's conviction for violating 18 U.S.C. § 371, and has provided notice and opportunity for Hamade to make a written submission to BIS, as provided in Section 766.25 of the Export Administration Regulations ("EAR" or the "Regulations"). 15 C.F.R. § 766.25.² BIS has not received a written submission from Hamade.

Based upon my review of the record and consultations with BIS's Office of Export Enforcement, including its Director, and the facts available to BIS, I have decided to deny Hamade's export privileges under the Regulations for a period of 10 years from the date of Hamade's conviction. I have also decided to revoke any BIS-issued licenses in which Hamade had an interest at the time of his conviction.³

Accordingly, it is hereby **ORDERED:**

First, from the date of this Order until July 20, 2030, Usama Darwich Hamade, with a last known address of Beirut, Galerie Semaan, Behind Karout Mall, Kalaa Building 3rd Floor, Beirut, Lebanon, and when acting for or on his behalf, his successors, assigns, employees, agents or representatives ("the Denied Person"), may not directly or indirectly participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting,

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021).

³ The Director, Office of Export Enforcement, is the authorizing official for issuance of denial orders, pursuant to recent amendments to the Regulations (85 *Fed. Reg.* 73411, November 18, 2020).

financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or

- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

Second, no person may, directly or indirectly, do any of the following:

- A. Export, reexport, or transfer (in-country) to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied

Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, pursuant to Section 1760(e) of the Export Control Reform Act (50 U.S.C. § 4819(e)) and Sections 766.23 and 766.25 of the Regulations, any other person, firm, corporation, or business organization related to Hamade by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order in order to prevent evasion of this Order.

Fourth, in accordance with Part 756 of the Regulations, Hamade may file an appeal of this Order with the Under Secretary of Commerce for Industry and Security. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

Fifth, a copy of this Order shall be delivered to Hamade and shall be published in the *Federal Register*.

Sixth, this Order is effective immediately and shall remain in effect until July 20, 2030.

John Sonderman,
Director,
Office of Export Enforcement.